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Agenda item 9 (d)
Ministerial segment: ministerial round tables

Summaries of multi-stakeholder round tables

Note by the Secretariat

Addendum

Ministerial round table A.2, on the theme "Partnerships in financing for development"

Tuesday, 19 March 2002 (morning)

1. The round table held a very rich debate on the main issues before the International Conference on Financing for Development and on the theme "Partnerships in financing for development". A summary of the discussion is set out below.

General considerations

2. The general considerations of the round table were as follows:

- Ministers expressed strong support of the draft Monterrey Consensus, in particular of the domestic and international reforms that it advocates. The draft Consensus has put financing at the top of the international agenda;
- Ministers focused on the implementation of the draft Monterrey Consensus. They were of the view that an effective and rapid implementation of the draft Monterrey Consensus is critical to spur economic growth worldwide and eradicate poverty;
- It was noted that implementation will require major national and international efforts, and that substantial technical efforts should be accompanied by a strong and persistent political will. The participation of heads of State and Government in the Conference augur well for such political will;
- Partnership was seen as critical. However, partnerships must go hand in hand with country ownership. No single partner — whether a country or an institution — can do enough. Several dimensions of partnership are considered to be key to development. Public-private partnership is at the core of rapid economic growth. Partnership between countries and development organizations, as well as among the latter, are also crucial for sustainable

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development. Partnership between aid agencies and NGOs also make a major contribution to development efforts;

- Participants stressed that the millennium development goals are the driving force of the new unprecedented international effort for mobilizing financing for development. Considerable progress has been made in the last 30 years in the areas of health, education and other basic social services. Yet the numbers of the poor and the illiterate remain far too high, and international goals in the areas of health and basic social services are far from being achieved. The situation in least developed countries and landlocked developing countries calls for particular attention. Commitments to help those countries, other developing countries and countries with economies in transition to develop and integrate with the world economy must be implemented;

- Some ministers were of the view that the draft Monterrey Consensus should have been more explicit in addressing the social agenda and the financing of programmes in social sectors. They also pointed to the need to address unemployment, pay greater attention to the informal sector of the economy and support small entrepreneurs. In that regard, particular attention must be paid to rural areas, where the majority of the poor live;

- Many ministers stressed the importance of education for all, particularly girls and women. Positive change requires education at all levels, particularly universal primary education for boys and girls, as called for in the United Nations Millennium Declaration. The implementation of the Conference outcome must be pursued in a human rights framework.

Main issues discussed

3. Alongside support of the draft Monterrey Consensus by all ministers, discussion focused on a number of key issues. There was agreement that good governance forms the basis for mobilizing both domestic and international resources for developing countries. It was pointed out that effective efforts to eradicate corruption are essential for good governance in all countries, and that those efforts are the joint responsibilities of developing and developed countries. Allocation of government resources to military uses diverts funds from development expenditures. With regard to international private resources, foreign direct investment was seen as preferable to short-term capital and more volatile credit. Many participants pointed out that the improvement of market access for agricultural products represents an important contribution to financing for development. There was general agreement that effective progress in implementing the Doha Ministerial Declaration, particularly the liberalization of trade in agriculture, is crucial. In that regard, it was stressed that mechanisms should be developed to support the effective functioning of small entrepreneurs in a globalized economy, and that care must be taken to ensure that entrepreneurs benefit from international assistance. Many urged the rapid implementation of the enhanced heavily indebted poor countries (HIPC) initiative and efforts by donor countries to increase official development assistance (ODA) to reach 0.7 per cent of gross national product. At the same time, ministers emphasized that the quality of ODA needs to be enhanced through improved coordination of donor efforts and conditions, the untying of aid and improved capacity of recipient countries to use aid effectively. A major international effort to assist developing countries in capacity-building in all areas was identified as an integral part of

development assistance. Ministers underscored the importance of achieving consistency and coherence of the international monetary, trading and financial systems, as well as in the policies of developed countries, which can affect the international economic conditions that impact the economies of developing countries. They also emphasized the importance of reform of the Bretton Woods institutions and increased participation of developing countries in economic decision-making.

Proposals additional to those contained in the draft Monterrey Consensus

4. The following represent proposals made by various participants:

- Extended use of regional swap network for central banks;
- Regional banks to create new credit lines for emergency loans and to increase loans to the social sector;
- Debt cancellation for IDA-non-HIPCs;
- More extensive use of debt swaps;
- International Monetary Fund/World Bank/Organisation for Economic Cooperation and Development international dialogue on taxation;
- Industrialized countries should open labour markets to workers from developing countries;
- Establish international standards of partnership;
- Strengthen various global information clearinghouses for use by domestic and international investors;
- Improvement of private credit rating methodology.